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R E A S O N S

1553

AGAINST THE

ESTABLISHING of a BANK

IN THE

TOWN of BELFAST.

H. M., Hc.

In a LETTER to a Friend.

*Money, the Life Blood of the Nation,
Corrupts and stagnates in the Veins,
Unless a proper Circulation
Its Motion and its Heat maintains.*

SWIFT.

Printed for the Author, &c. in the
Year, M,DCC,LII.



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REASONS
AGAINST THE
ESTABLISHING of a BANK
IN THE
TOWN of BELFAST.

SIR,

AS soon as I was assured, that *three Merchants* here, resolved to commence *Bankers*, I thought the matter deserved serious attention from me, and every other *free Trader*, who might come to *feel* the consequences of such a design. I therefore set my self to examine the tendencies of this *scheme*, with all the diligence and care my hurry of business would admit of. Resolved to place the subject in every point of view I could think of, and consider *the several interests*, which might be thereby *affected*, I began my enquiry. I have a great *regard* for the Gentlemen who are concerned in this *Bank-Scheme*, which I found was a bias on my mind, inclining me to wish earnestly, that their undertaking would be found, upon examination,

amination, conducive to their own profit, and at the same time of *publick use*. But I had not proceeded far (such is the *force of Truth*, and the prevalence of that desire, which every *honest man* ought to have for the welfare of his country) till I began to perceive, and in the end was thoroughly convinced, *that the establishment of a Bank in Belfast, in the manner proposed, will be contrary to the publick interest, destructive of a Free-Trade, and what must in the Issue discourage our manufactures and industry, the true source of national wealth and plenty.*

THE reasons that induced me to think so, I shall now lay before you in as plain a manner as I can. Were my arguments display'd with the advantages of art, they would doubtless appear more engaging, and of greater force; but that I leave to the people of ability and leisure: My sole aim is to discover truth; and convey my sentiments concerning it, with such a degree of clearness, as will make my meaning understood. Nor has truth, in my opinion, any need of additional ornaments to render her amiable, her own native charms are of themselves sufficient to engage the attention and love of every honest mind.

THE first thing I would mention, as a reason against countenancing this *Bank*, is, that it would give us *Paper* instead of *Money*; which must be hurtful to commerce, and weaken the hands of the traders, by lessening the quantity of our *circulating Cash*. You are no stranger to the state of our American colonies, and what loud complaints have been made by the Merchants there, against *Paper-Money*; as an unsupportable

unsupportable grievance, in the way of trade. But if these gentlemen's notes are to circulate here instead of the *Money* for which they are given, and to pass from hand to hand, as our real *Cash* doth; we will be, by many degrees, more *unhappy* than our friends in *America*; because they never enjoyed that plenty of *Cash*; and that sufficiency for all the purposes of trade, that we have done. And to be deprived of blessings that we were once happily and long possessed of, will render our case the more miserable.

I MIGHT take notice, that our current money, hath always a *real intrinsic value*; and might set that in opposition to this *imaginary kind of riches* the *Bank* is for introducing. But concerning this, I may perhaps give you my thoughts some other time. I shall now suppose, if you please, that these gentlemen's notes are accepted by every body; and that their currency meets with no interruption. Pray then what will be the issue? Can it be doubted, that they, in a little time, *would draw in the bulk of all that money, which now circulates in the country*? No, certainly this is not to be doubted. For it must be a principle view in erecting their *Bank*, that their notes, *which they can issue at pleasure, and without expence*, should pass instead of money in the country; and they, in the mean time, have their value in money, *to employ to the best advantage*.

Now, at this rate, not only merchants, who frequently want small pieces of gold and silver, and traders who go to fairs and markets, whose business cannot be carried on without such sortments of small money,

money, but even persons who want to buy their necessities, must be distressed. The *money* which before circulated, and was *the life of trade*, will now be amassed by the *Bank*, and whoever wants it, must attend those, and lie at the *mercy of the Bankers*, whether they will accommodate him or not. And how such a state of dependence is consistent with a free and successful trade, *let every one judge*.

SHOULD a dealer, who lives, suppose, thirty or forty miles from *Belfast*, have got any number of these *Bank-Notes* in his pocket, and find them *utterly inconvenient for carrying on his business*, are not his hands tied up till he converts them into some convenient species? In this case what must he do? Is not his last resort to apply to the *Bank*? And when he arrives at *Belfast*, will he not be forced to *wait the Bank-hours* before he is admitted? And after his admission, will he not be obliged to receive whatever species the *Bank-managers* think fit to give him, however troublesome and vexatious the sort of money he gets may be to him? If he expects to be accommodated, in the convenient way, his expectation must be founded either on friendship, or agreement. If on friendship, that is especially to be acquired thro' acquaintance in the dealing way; of which I may take some notice hereafter. If on agreement, whatever he gives the *Bank* in this way, must certainly so far lessen his stock. Nor is this the only *loss he sustains*, there is the *expence* of his journey, the loss of his time, and perhaps several sorts of disadvantages arising from the *stagnation of his business*, to be also deducted. And what is yet a dispiriting reflexion, he knoweth
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not, but when he returns next, his case may be worse. For the terms of his being conveniently accommodated, are intirely in the BANKERS power; and they may continue or alter them as they please.

AND the same reasoning will be held, with regard to every man who is obliged to apply to the *Bank*, for converting his notes into cash. He must feel the *vexation* and *loss* arising from thence, in proportion to his interest, situation, and circumstances. Merchants indeed who live in the town, or very near it, who have very large sums of money to pay, or have *interest* enough with the *Bank*, to be speedily accommodated, will, in this respect, suffer less, than they who come from afar: But in another respect, they will *suffer most grievously*, as I shall shew in its place.

IN the mean time, let us consider another general *vexation* and *loss*, which the country may sustain, by the establishment of this *Bank*. It is well known, that *to traffick in money*, I mean to gather in and carry off that particular species of coin, which will best answer their own views, and bring into the kingdom another species in its stead, *hath been a practice among the Bankers*, which hath often occasioned a *confusion*, and sometimes a *stagnation* in business, to the general detriment of trade. *Instances* hereof are *too fresh*, in every ones memory, to need any particular mention. And what hath been often done already, may certainly be done again, by people in the same way. Nor is it probable, that a *Bank*, of any standing, will omit so considerable a branch of gain. When people enter upon any kind of business to
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better their *Fortunes* ; it is not, I believe, with a design to neglect any *usual profits* that may be had from it.

Another loss which the country must sustain, will proceed from the destruction and loss of Bank-Notes. Nor is it to be imagined, that several accidents of this sort will not happen. To convince us of the truth of this, let us only call to mind matters of fact, and reflect on the losses of this nature, that were sustained, when, in several towns and villages of the North, *small promissary Notes were issued*, to remedy the scarcity of change. How many of these were destroyed by the wearing, or lost by accident, which was so much *real loss* to the proprietor, and so much *clear gain* to the *Petty Banker* ? Now if we may be allowed to compare *small things* with *great*, and I can see no reason to forbid such a comparison, where the things themselves are of the same kind, and only differ in degree of value ; what losses of this sort, will it be reasonable to imagine the country will sustain, should little else but *promissary Notes* be stirring among us ?

IN the case mentioned, the *value* of the Notes was small, the circle of credit narrow : But in case of *establishing a Mint*, as it were of *promissary Notes in BELFAST*, the value of the Notes will be high, and the *circle* of credit *wide* ; else the purposes of such an establishment will not be answered : Will it not then be reasonable to conclude, that the accidental losses of these Notes, will bear some proportion to their higher value, and the large scope of country, where

where they are accepted instead of *cash*? It is true, those *losses* will more immediately, and feelingly affect individual persons : but who can tell, whether it may not be *his own case*? And were one quite secure in this respect, and even assured, that he himself should never sustain any *loss* of this nature; yet that man must have very improper notions of *publick good*, who sees not, that the loss and discouragement of the industrious, in a variety of instances, is a *general loss* and disadvantage to the nation; and *little humanity*, if he endeavours *not to prevent it* as far as he can.

PERHAPS it will be said, that a proper degree of diligence and care might prevent all *such losses*. This I shall not at present enquire into, because it is not to the purpose. The matter to be considered is, not whether a proper degree of care might not prevent the losing, of either notes, or money? But which of these too is most liable to *destruction and loss*? This question hath little difficulty in it. For every one must see at once, that *paper* is not suited to come through the same instances of hazard, with that safety, that money can do. The one is liable *to be destroyed by wetting, wearing, tearing, burning, &c.* the other's proof against all accidents of this sort. And if from the nature of the things themselves, and the matter of fact referred to, in the instance of smaller *cash-notes*, any one is not sufficiently convinced, of the difference there really is, between preserving *notes*, and *money*; let him, for his farther conviction, consult the advertisements, we have in our publick *News-Papers*, concerning the frequent *loss of Bank-Notes*, in, and about the *city of Dublin*. If the re-

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gistry of them in pocket-books, or any other method, can effectually secure the proprietor, when such a loss happens, why is there sometimes two, sometimes three, sometimes four, and sometimes five guineas proposed for the recovery of them, without questions being asked? And since grievances of this kind frequently happen in the southren parts of this kingdom, what presumption can there be, that the like will not also happen, in the *North*, whenever a *Bank*, the source of such loss, is once established among us?

THERE is another kind of *loss*, which perhaps is little thought of, and for that reason will be the more perplexing to *merchants* in the country, and other traders, who have bills or bonds to discharge. What I mean is, *that the notes issued by the Bank will not be legal tenders of money*, the offering of them in payment, will according to law avail nothing, the matter may come to be attended with dispute, vexation, and trouble, to the persons who received such Notes and had their dependance on them; and sometimes may become *the ruin of their credit*, by occasioning their *bills to be protested*, or executions taken out against them, on their bonds. In this case the debtor lies at the mercy of the creditor, though he has *Bank-Notes*, in his pocket, vastly surpassing the debt. And should the creditor through grudge, envy, revenge, or any ill natured disposition, be tempted to use his power, the debtor's credit, and reputation of sufficiency in trade must thereby suffer; so inconvenient and dangerous is it to receive a *sort of money*, if it can be called so, that hath *no sanction* from the government to make it current.

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THE same sort of *vexation* and *loss* may come to be sensibly felt, in a variety of instances by *tennants*, who have their rents to pay. For though the receivers thereof may, at first, accept of such *Bank-Notes*, in payment ; yet many reasons may induce them to alter their resolution, and insist on *current-money*. And how great the *distress* of *tennants* must be, at such a juncture, let any man of common understanding judge. They depended on their *Bank-Notes*, for the payment of their rents. But these are of no avail. By receiving of them, they are destitute of *cash*. Must not their goods then be distrained ? And for want of such distress, sufficient to answer the rent and arrears due, will they not therefore greatly suffer ? This is a matter, which ought to be *seriously considered*, by every honest farmer ; he cannot, on the supposition of receiving these *Bank-Notes* instead of *cash*, be safe, unless the *landlord himself* will come under legal *obligations*, to receive these notes, in payment of rent during the continuance of his lease. Neither the receiver's promise, nor bond can be a proper security to him, in this case : because the *agent or receiver* may be *removed*, before his lease expires. Nor is it likely, that the receivers of rents would be willing to give bonds, for the purposes mentioned. For that they, and the *collectors* of the *publick revenues* ; whatever they may do in the beginning, will afterwards refuse to accept of these *Bank-Notes*, instead of *Cash*, is far from being improbable, because their continuing to receive them, must be against their own *interest*.

WHEN large sums of money are received by them at the respective times of payment, they are thence enabled to make considerable *advantage*, by *exchange and discount*. But when they receive *Bank-Notes* instead of *Cash*, this advantage cannot, certainly, be as *great*. For suppose the person, who wanted a bill exchanged, would be willing to take *Bank-Notes*, it must be on the footing of having *allowance* made to him, for the *trouble and expence*, that will afterward attend their being converted into *Cash*; or if to save this allowance, the collectors or receivers apply to the *Bank* themselves for the *Money*, is there not here *dependance, trouble, expence, and casualty*, which might have been *all avoided, by receiving the money at first, in their own offices*? So that whether they intend to exchange the notes themselves, or have them first converted into cash, they must in either case suffer, and *suffer* too on the supposition, of having their business, in *exchange and discount*, carried on.

BUT what reason is there to suppose, that it will be carried on? for what diligence would be sufficient, to have the *value* of the notes, they received, ready at all times, in *Cash*, to answer the applications, that might be made? And a few disappointments would naturally discourage people from future applications. *Trading men* especially, whose time is *precious*, would incline to dispatch their business, in the most speedy way, by a direct application to the *Bank*. And the same discouragement would follow the scheme of exchanging the notes themselves. For what trader would be willing to lose time, by

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two several applications, *first* to an office for *Notes*, and afterwards to the *Bank for Cash*, when the business could be transacted at once, by an immediate application to the *Bank*? Thus would the respective offices of *collectors*, and *receivers*, not only suffer a demerit of this perquisite, whatever scheme they pursued; but be forced to undergo, in either case, the discouragement and failure of the business. And this too will be the fate of all those, who formerly dealt in *exchange* or discount. The profits arising from thence will be engrossed by the *Bank*. And the managers thereof will have it in their power, to deal with people, as they think fit.

AND when once matters are brought to this pass, it will be easie to see, how another set of men must thence suffer; I mean the *Linen Drapers*, to whose industry, expence, and care the improvement and encouragement of that manufacture, is so much owing. It is well enough known, that the greater part of our linen cloth is sold in *England*, for which the *Linen Drapers* draw bills in *English Money*, which they exchange pretty near the value. And in which their profit principally consists. Now if all other persons in the exchange are discouraged and cease to act in that way, and the *Bankers* have this business entirely in their power, they may treat the *Drapers* as they please, and give them only what exchange they think fit, to the loss of men who deserve well of their country, and the discouragement of the *Linen Manufacture*. For when the usual profit of exchange is reduced low to the Draper; he cannot afford to give the usual prices in the *brown market*, even though

though the price of our white cloths continue the same in *London*. But what probability is there that our cloths shall retain, either for fabrick or colour, their *credit in a foreign market*, when every person employed in contributing to this is discouraged at home, and hindred from aspiring after perfection in his respective employment? did the *Bank*, indeed, propose any other article of industry of *equal profit* to the country with that of the *Linen trade* we might then deliberate, and think of the choice we were to make. *But till this is done, let not the BANKERS in the prosecution of their own private views hurt or ruin the trade of their country. Let them not deprive us of the Linen business, and the benefit we reap from thence, till they put something of equal value in its place.*

HERE sir, beside what might be added, is a *variety of losses*; some of them general, some more particular, some probable, others certain and unavoidable, *which the country will be liable to* on the supposition of having this *BANK established in BELFAST*; let us now, if you please, see on the other hand what probability there is of either *publick or private* advantage from such establishment. It is fair that the advantages and disadvantages of any undertaking should be set in opposition, and ballanced with each other, that thence the side that outweighs may be discerned and equitable judgment made.

As for my part, after placing the subject in every point of view I could think of, I cannot perceive any probability of *publick advantage* from this *Bank-Scheme*. It seems, indeed, well enough calculated to
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enrich the gentlemen concerned in it; but what they *gain* the country *loses*: And to consent to our own *loss* in order to enrich other *men*, is, I think, a compliment too extravagant, and what *none* have a right to expect from us.

INDEED if we wanted *money*, and the *Bank* would bring in *more* of it among us, if it would encrease our *trade*, or encourage our *manufactures*, these would be desirable things, and the promoting of them deserve not our *approbation* alone, but our chearful *concurrency*. But it is clear to me, that the establishing of a *Bank* among us would produce very *contrary* effects. It would be so far from bringing *more money*, that it would greatly *lessen* the quantity of our *circulating cash*, and give us only *promissary notes* in its stead. So far would it be from promoting *trade*, that it would render trading people liable to a *variety* of discouragements by making them *dependant on the Bank for Cash*, by *multiplying* their expences, and *lessening* their profit. And when *traders* in general are discouraged, must not they who have any sort of goods for the market feel the discouragement in their turn.

No, the *money* that circulated before will still be in the country, and they who have the bulk of it in their hands, namely the *Bankers*, will themselves buy up the goods that are to be sold, and thus suffer some part of the *money to circulate a fresh*. But to whose advantage will this be? certainly not to the advantage of the country, unless it is said, that a *monopoly* will be conducive to such *advantage*, which I am persuaded

suaded no man of experience and understanding will affirm.

AT present our *cash* circulates freely, and every one enjoys the benefit of his industry. And where is there any just foundation for complaining of the want of money for carrying on any branch of trade, or even extending it where opportunity offers? Have our manufactures been discouraged, or lain neglected on that account? No, the contrary is evident. If any branch of our trade should decline, there must, I think, be some other causes assigned for it than the want of money. For was the interest of money ever lower in this Kingdom? Was there ever a greater plenty of it in the country? are not some of our merchants lenders of money? which they certainly would not do could they employ it to better advantage in trade. And even suppose there was a failure of money in the land, and that for this reason trade began to sicken and languish, I am not of opinion that this sort of imaginary money would be an effectual remedy for the disease. In short sir, whatever discourages a free general trade, as the Bank I think would certainly do, must in proportion discourage national industry, and deprive us of the benefits arising from it.

WHAT hath been said tends I hope to shew, that a Bank would not be of use to us, but contrary to the general interest of the country. Let us now inquire whether the gentlemen embarked in the Bank-Scheme ought to be encouraged or opposed; were I convinced that their undertaking was any way consistent with the publick good, I own I would incline to be among the

the first in countenancing and promoting it : But when it appears *destructive of publick welfare*, I think the love of one's country ought to prevail over *private regard*. Till therefore I see reason for altering my mind, I cannot but be *against their scheme*. This sentiment appears to me to be altogether *just*, and such as calm reason and social dispositions must naturally suggest, and it will I am perswaded do so to others, if it be considered, *that these gentlemen are all largely concerned in trade, one is the most considerable Exporter and Importer in the place, another is a Linen Draper, distinguished by his extensive business ; the third is principally concerned in a Sugar Company, and all of them joined in a WINE COMPANY.*

Now it has been held as a *maxim* that *no merchants* ought to be *Bankers*, because no other merchant can trade on the same footing with them. For as they receive *lodgements of money* for which they pay no *interest*, and have on the same terms all that *money* for which their *notes* are passing in the *country*, they can trade hereon, and afford to sell the goods they import *6 per cent lower than other merchants can*, and at the same time be equal *gainers* with them ; the consequence whereof would naturally be, that other *merchants* must have their wares lying on hand, while the *Bankers* enjoyed a *brisk trade* : For people would doubtless go where they could buy *cheapest*, and thus would they soon *engross the whole trade of the place*, and force every other merchant to quit his business and remove elsewhere. For none but an *obstinate fool* would persist where his ruin was visible.

SHOULD other *merchants* endeavour to contend matters with them, by taking such *methods* as recourse is had to, when a competition in trade happens; and which in the present case, might be looked upon as *the last struggle for recovering the freedom and rights of traffick*, they would doubtless come to pay dear for their unwary attempt, for the *Bankers* could immediately *lower their prices*, and this would be to them attended with *less loss* than it would be to others. To induce them hereto, there would be two powerful considerations, namely the humbling of such *arrogant traders*, and the preservation of an *unrivalled trade*: either of which are *strong motives*, and joined together, could scarce fail to produce the effect we are speaking of.

THIS reasoning has appeared so just, that in other places *merchants* are not suffered to become *Bankers* till they quit their merchandize and concerns in trade. And if this singular privilege of being both *merchants and Bankers* at once be allowed to *three merchants in BELFAST*, the towering superiority in trade which it must give them, is so evident, that it will be unnecessary to run through the several branches of their *present business* to make it clearer. But why do I speak of their present business, they will be able, in a little while, to *engross the whole trade of the place*: to the ruin of the other *merchants*, who must either remove, or become *brewers of wood*, and *drawers of water* under them.

AND now where is the *advantage* that the other
merchants

merchants in *Belfast* will reap from the *establishment* of this *Bank*? Is not their *ruin* thereby rendered *unavoidable*? If they act with the *spirit of merchants*, and on the footing of *free trade*, they will have *no business in BELFAST*, the *BANKERS* will be *MASTERS* of every valuable branch of trade, their power indisputable, their dictates so many laws in the way of commerce.

SHOULD any through affection to the place of their nativity, or residence, or from any other motive be induced to continue in the town, must they not in the mean time be subject to the powers that be, acknowledge their dominion, and implore their protection? And what will they gain from this subjection? Why they will be suffered perhaps to cultivate some under branch of business the Bankers think fit to assign, and which would not be worth their own pursuit. In this situation they may get some sort of maintenance, and may have their hopes raised with the prospect of being advantageously furnished with the loan of money from the Bank: this may be thought a considerable advantage to them, and on which a great stress may be laid. Let us see how it will bear examination; now this advantage one would think must chiefly consist in having the money lent with a greater degree of secrecy by the Bank than it could be gotten elsewhere, and more readily obtained on such security as the merchant has to offer.

WHEN a man in business wants to borrow money he would choose to do it as secretly as possible, least his credit should be hurt by having the matter too much

much *divulged*; whether then can he borrow more secretly from *one man*, or from a whole *company of Bank merchants*, who, together with their *managers, clerks, &c.* must all become intimate with his *pinch* and the situation of his *affairs*? And with respect to securities, it's not to be imagined that the *Bankers* will be less cautious herein than other people; the same security that another would take, must also be given to them before the *money* can be obtained. Sometimes too, the security which would satisfy another may be unavailable at the *Bank*. For when a *number* of applications and *proposals* of security come together, it is reasonable to think *the best will be preferred*.

SUPPOSE that a trader applies to the *Bank* for the loan of *money*, and that application is made at the same time by a *gentleman* who offers *land security*, and has occasion for a large sum, so that both cannot at the time be conveniently served, which do you think is to have the *preference*? Will not the *gentleman* be taken notice of on account of the *security* he offers, and the *opportunity* that is afforded of getting hold of his *estate*, whilst the *trader* who had no such security to propose is *dismissed with disappointment*, how pressing so ever his occasions for money may be?

OR suppose the *Bankers* themselves to have a *gainful and important bargain* in view, since these things are to be chiefly in *their power*, can it be thought that they will oblige even their *dependants* and *favourites* till their own *views* are accomplished? No, this would be an *unreasonable expectation*. And that cases of this nature may sometimes happen, is not improbable.

improbable. Where is then the *mighty advantage* of borrowing money from the BANK, when a man must do it with greater hazard of having his *affairs* made known, and not without some danger of *disappointment*? And if to this be added the consideration of what was hinted, that he is not left at *liberty* to choose for himself, but must take up with that *branch of business* which is *permitted* by the *Bank-merchants*, I believe no one will think his condition comfortable.

IN order then to form any general notions of the consequences arising from the *establishment* of this Bank to the other merchants in *Belfast*, it will be requisite to divide them into two *classes*, the one *willing*, the other *unwilling* to submit to the government and rule of the *Bank*, which is to be considered as the *reigning power in trade*: Each of these *divisions* will suffer from the *establishment* of this *Bank*, but suffer in different ways. They who *disdain* the thoughts of a *sneaking submission*, and are too *high met-tled* to bear the *curbs*, or obey the directions of a *commercial rider*, must submit to the inconveniency and loss of being *dispersed over the face of the earth*, and *settled* respectively as *opportunity offers*; and the more *tractable spirits*, who can tamely bend their *necks to the yoke*, and prudently resolve to continue in their habitations till they see what time may bring forth, must in the mean while be *subject* to, and labour under the mortifying disadvantages of a *servile, cringing and mean dependance*.

BUT the *country* around will have the benefit of buying cheaper, it is therefore for their particular
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advantage that this *Bank* should be *encouraged*. The *calamity* indeed must be very *singular*, that is attended with *no* sort of *advantage*; but that *none* may be herein *mised*, or induced to lay a greater weight on this seeming profit than it will bear, let it be considered, that it can *only last while the Bankers* are striving for *mastership* in *trade*, which cannot be *long*. Once they are absolute *masters* herein, it will be reasonable to think, they will then be inclined to *reap the fruits* of their *power*. In this case the *country-man* may come to pay as *dear*, if not *dearer* than he did before, when he had a multitude of *ware-houses, cellars, &c.* to take his *choice* of; but will now be confined to the *Bank-company's Stores*. In the mean time he sustains his share of the *loss* the country in general is liable to by the *establishment* of the *Bank*: such as the inconvenience and *loss attending Bank-Notes*, the decrease of *trade*, discouragement of *manufactures, &c.* And to bring the matter yet more discernably and closely home to him, whatever goods he has for exportation, such as *cheese, beef, butter, hides, tallow, corn, &c.* must be sold as the *Bankers* please, because there will be none to out-bid them. When there is a number of merchants all wanting the same kind of goods, the owner has a fair probability of getting the *utmost value*. But when there is only *one company* to buy, a man must either take what they think fit to give, or carry his goods to some other port.

LET him now ballance the *vexation, expence and losses* he will have by promissary notes, and the loss he will have from selling his yarn and webs cheaper in the *linen market*, and his other goods cheaper in
Belfast,

Belfast, provided he sells them there, and if he doth not think fit to do so, the expence and trouble he must be at in carrying them to other places, I say let him ballance all these losses with the *trifling advantage* of buying some of his necessaries a little cheaper for a year or two, and he will then be a better judge whether he is *to gain or lose* by the countenancing of this *Bank*. Will he not by feeling effects now pointed out, have reason to blame himself for not looking into them in proper time? And will not this reflexion tend to raise a warm *indignation* against those who have been the instruments of his *suffering*?

WHICH by the bye is perhaps a thing not to be intirely despised by the *Bankers*, for should such an *indignation* become *general*, they may come to feel effects from it which they either think fit not to inquire into, or choose to overlook in their present proceedings. However backward *plain honest people* may be now to spend their time, or give themselves the trouble of reasoning about a thing which they think foreign to themselves, and yet a matter in which their *interest is nearly concerned*; and however inattentive they may be to the *consequences* which will follow from thence: yet when they come to feel them with *smart and suffering*, this will rouse them. *But to pursue the thought further is the proper business of those who are more nearly concerned.*

IT has been already shewn that if THESE GENTLEMEN are allowed the singular privilege of being BOTH BANKERS AND MERCHANTS at the same time, this will enable them to extend their *trade, to the ruin and*
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downfal of the other merchants in BELFAST: nor is this the extent of that unreasonable power people are unwarrily investing them with. They may also engross the linen business to themselves. And by attendance, agency or commission buy up the greater part of the cloths that are to be sold in our noted markets. In taking this step, they will have the same advantage over the linen drapers they were formerly shewn to have over the merchants; namely, the benefit of trading on money for which they are to pay no interest.

• *Whether these gentlemen will think it prudent to exert their power in this shape is altogether uncertain. But certain I am, that it is not prudent to entrust any trading company with such a power, especially as one of them deals largely already in the linen business, is sensible of its value, and fit to conduct such an undertaking.*

THE Bankers too by lending money on mortgages will become intimately acquainted with mortgagers affairs, and will have the best opportunity of knowing when lands are to be sold: and will have the preference in the sale of them, on account of their being before concerned, and that they can afford to give more than any other purchaser. Others in their computation must set some rate of interest on the money they are to advance; but the Bankers will not be under this necessity, they will have all that money which has been lodged with them, and all that money for which their notes are passing in the country interest free; and can therefore afford, should a competition happen, to out-bid others, and defeat their rivals without any loss to themselves. Let gentlemen who

who incline to purchase, consider this in time before they contribute to establish a power destructive of their own advantage, and suited to disappoint their VIEWS.

THERE is another thing relating to *this Bank* that ought not perhaps to be passed without examination. WHAT SECURITY will they have who either lodge money, accept *Bank-notes*, or in any way give the *Bank* credit? Will the gentlemen concerned subject their whole fortunes to the payment of *Bank-debts*. This perhaps will not be thought reasonable, because there is such a disparity of fortune among them, beside merchants do not usually choose to embark all on the same bottom. What then is their capital to consist of? And what limitations do they bind themselves to observe in relation to it? If the extent of credit given to the *Bank* exceeds its capital, must there not be a proportionable want of security to the creditors? For instance, suppose the *Bankers* offer fifty thousand pound security, and they receive lodgements, and issue notes to the amount of one hundred thousand pounds, is not the one half of this sum left unsecured? so that the creditors would in this case have only security for one half of the money. There is therefore a necessity of restricting, one would think, the value or amount of their notes to the fund that is made subject to the payment of them; otherwise the creditors will not have their money secured. Now, will the *Bankers* oblige themselves in a legal way to observe at all times this restriction, and never suffer the extent of *Bank-credit* to exceed the stock that is destined to support it? If they do not, the publick will be left unsecured, and the *Bank-managers* left

to their own *discretion*. Must not such an unbounded *liberty* be dangerous? *May they not issue notes to five times the value of their capital?* This may be thought to be *extravagantly supposed*, but for what reason, when they set no bounds to themselves, and it is manifestly their *interest* to pay out as much in *notes* as they can? What suppose the *Bankers* among themselves fix upon, and even *publish* such regulations for their conduct as may be judged reasonable, will they bind themselves *by law* to observe these regulations? If they do not, it will not be a *legal security*, for these rules of theirs will not have the force of a *law*. And whenever a man trusts his *fortune*, or any considerable part of it in the hands of another, whatever *good* opinion he may have of the person's *integrity, honour and substance*, yet he will for many *prudent reasons* choose to have a *legal security*.

The scope of what has been advanced is to make it appear that this *Bank-scheme* hath a tendency to enrich the *Bankers* at the expence of the country: and if no unlucky accidents intervene, this would doubtless be the case. *But* it often happens in the course of things, such is the uncertainty of human *affairs*, that a variety of accidents conspire, not only to hinder the acquisition of a *fortune* where the prospect is promising, but to destroy a *large fortune* where it is already acquired. How many men in a prosperous thriving *way*, and in tip top circumstances, have within the compass of a *little time* been reduced to a very low condition? *Merchants* especially, whose substance is often exposed to the dangers of these a have experienced *sudden and unexpected calamities* of this nature.

Suppose

Suppose then, notwithstanding the fair prospect our Bankers have of acquiring an immense fortune, and notwithstanding the acquisitions that may have been made by them, yet that a *train of misfortunes* obliges them to shut up and *stop payment*; I say, supposing this case to happen, which is no impossible supposition, since we know that greater BANKS have failed, * must it not in a great measure ruin the country? Let any one point to himself the scenes of *confusion, distress and misery* that would be thence occasioned throughout the NORTH in general, and particularly in the counties of DOWN and ANTRIM.

UPON the whole, the countenancing of this *Bank-scheme*, is, I am convinced, inconsistent with the regard which every good man ought to have for his country. Whatever light we place it in, it is visibly attended with such *consequences* as ought to raise our aversion. It will discourage trade and trading people in general, occasion trouble, confusion and loss to the country, and hurt to our linen manufacture. To encourage it on the footing the gentlemen set out on, I mean that of their being both Bankers and merchants at the same time, is contributing to establish a power which will be against the interest of all those who deal in exchange, subversive of a free trade, and particularly injurious to the merchants in BELFAST,

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formidable

* *Burton's Bank* was always look'd upon as undeniable security; it failed 15 years ago, and yet the accounts are not settled, nor perhaps ever will.

formidable in more respects than one to the linen drapers, and vexatious and disappointing to them who intend to purchase.

STRANGE! that people should contribute to *establish a power* so evidently fitted for the *destruction* of their *interest*. It puts me in mind of the *swain in the fable*, whom the wood unwarily complimented with a *helve* to his *hatchet*; but as soon as he got it fitted, he fell lustily to the *cutting down* of all before him, and ceased not to spread *havock and desolation* wherever he came.—I am afraid, sir, I have wearied you by the length of this letter, but to apologize for it now, would only make it longer; your candour I depend on for any slips that may have been made either in sentiment or expression. *If it is judged useful for promoting publick good, you are at liberty to make that use of it.* I am with affection and respect,

Your obedient,

humble Servant.

H. M.

POSTSCRIPT.

TH^{O'} I had concluded this Letter, and have therein taken notice of the accidents that *Bank-Notes* are more liable to than current money, yet as what has been said on that article, and indeed throughout the whole, can be deemed nothing else but slight hints for more extensive reasonings, and as the subject deserves to be seriously weighed, and pursued through its remotest consequences, by every one who wishes well to the *North of Ireland*, I shall just beg your patience till I mention two or three facts very useful to be considered by us.

1. A PERSON has been lately detected in *Dublin*, so compleat in the knack of counterfeiting cash-notes, that he deceived even the *Bankers* themselves. He did the thing with so much fraudulent dexterity, that a runner to one of the *Banks* received his counterfeit note. The cashier, when it came to his hand, made no scruple about it. He passed it. It afterwards went through several hands, till at last it was discovered at the custom-house, where an honest merchant tendered it in payment of duties. The author of this villany has been apprehended, brought to trial, and found guilty : but what punishment will be inflicted

inflicted on him, time only must discover. The fact is recent, and well known; and other frauds of the like nature are become frequent in *Dublin*, and the parts adjacent.

2. ANOTHER thing that happened lately in *Dublin* is also notorious, and the consequence of it doleful to the unhappy sufferer. An eminent dealer in the linen-business, to his great misfortune, dealt also largely in *Bank-notes*. His usual method was to keep the bulk of his money, if it can be called by that name, in the paper-way, or instead of current cash to make use of *Bank-notes*: which in the issue proved fatal to him. For the poor gentleman's house and office were by an accidental fire reduced to ashes. His loss at this juncture in *Bank-notes*, amounted, we are told, to several thousands. For which the *Bankers* do not think themselves bound to make him restitution, since his books of account were at the same time unfortunately burnt, and he cannot fix the numbers, sums, or dates of his consumed notes. Some money he had also at the same time, which was found in the ruins, and was of service to him, when the ashes of his *Bank-notes* were of no avail. An undeniable instance of the difference there is between having a man's substance in ready cash or in bits of paper.

3. It is well known, that at present in *Dublin*, both dealers and tradesmen are so terrified by the power and influence of the *Bankers*, that they dare neither go themselves, nor send their apprentices to the *Banks*, to demand cash for the notes they receive in the way of trade; but are forced to employ strangers

gers for this purpose, lest by an open application they should disoblige the *Bankers*, and hereby furnish a pretence for future resentment, and oppressive measures.

Now these, sir, are plain facts, and the occasion of them easily apprehended. The meanest capacity can scarce be at a loss to see that they are owing to the establishment of *Banks* in *Dublin*, and the currency that *Bankers* notes have obtained there. And pray what security have we against the like accidents, in case a *Bank* is established in *Belfast*? With respect to the trouble and losses arising from forged notes, can it be said, that we are more accute and observant in this country, than the people of *Dublin* are? Since they have been imposed upon in this way, can we think of escaping without instances of the same kind among us? Can any of us pretend to be better acquainted with the gentlemens hands who are setting up for *Bankers* here, or with the hands of their clerks, than the *Bankers* in *Dublin* were with the hands by which their own notes were signed? And even supposing that our more eminent merchants and dealers should be aware of, and escape this noose, yet must it not wound the heart of every man, who wishes well to his country, to reflect on the losses which unwary and illiterate people may thence sustain, through whose hands, at fairs and markets, many of the smaller *Bank-notes* must pass, provided they have once obtained a currency in the place? At present the most ignorant and illiterate among us, have from frequent use and observation, a tolerable notion of our current money; but alas! how

how shall they be able to distinguish between a real *Bank-note* and one that is forged?

WITH regard to accidents from fire, &c. are we not as liable in the *North* as people are in any other part of the kingdom? Will our *Bankers* insure their notes from all such instances of peril and destruction as money can pass through with safety? If they are unwilling to do this, it must be very unreasonable of them to desire us to take their notes instead of money.

And doth not the last fact I mentioned in the plainest manner, caution us to beware of *Bank-tyranny*? Will any pity us, if we are so foolishly obstinate, as not to take warning by the sufferings of others? How much wiser will it be to appear bravely in defence of our liberty, when it may be preserved, than by a sneaking cowardice, suffer it to be wrested from us, and lament it when it is gone?

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